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Approved For Release 2003/06/03 : CIA-RDP80-01065A000600030051-3

NARRATIVE JUSTIFICATION

Exhibit 5-A. General

The Psychological Strategy Board was created by a Directive of the President which was made public in a press release dated June 20, 1951, copy of which is attached. (Exhibit 5-A(1)).

The first Director was appointed by the President and assumed office early in July 1951. The first Director of the Board was Mr. [REDACTED]

was succeeded by [REDACTED]

Under the leadership of [REDACTED] the first year of operation saw the practical completion of the organizational and staffing phase. In the course of the year the staff was built up on a planned basis until it was virtually complete on June 30, 1952, when there were 68 permanent employees on the staff. In addition, a large number of highly qualified individuals outside the Government had been given security clearances to permit their employment by the Board as part-time and temporary consultants.

With few exceptions the permanent staff of the Psychological Strategy Board has been drawn from the staffs of the member departments and agencies and from the Mutual Security Agency, which agency has been working closely with the Psychological Strategy Board although it is not a member thereof. It is planned to continue this policy in fiscal years 1953 and 1954 in order that these agencies may make their most effective contribution to the work of the Board and its staff and to enlarge the area of familiarity with the objectives and functions of the Board among the departments and agencies having responsibility for psychological operations. In addition, it is planned to continue and enlarge the use of ad hoc consultants on specific problems. This procedure has proven to be most useful in that it affords the Board an opportunity to avail itself of special knowledge not readily available among the permanent officers of the Government and permits the Board to utilize the services of patriotic Americans who are not normally available for full-time Government employment.

The details of the present and projected table of organization are set forth in Section C of this Narrative Justification. It will be noted that the total permanent employment estimate for the current fiscal year is now 73, instead of the 79 that was proposed in the original budget estimate for fiscal year 1953, submitted to the Bureau of the Budget in November 1951. The total staffing for fiscal year 1954 is estimated at 74. The increase of one position is a reflection in part of the increased work-load attributable to the responsibilities of the Psychological Strategy Board under a National Security Council paper approved subsequent to the drafting of the original budget estimate in November 1951.

These total figures are maximum figures and it will be noted that the average employment in the two fiscal years will be 69 in 1953 and 70 in 1954, due to anticipated lapses.

The organization of the substantive work of the staff of the Board remains generally the same as that presented to the Bureau of the Budget in November 1951. An organization chart is attached as Exhibit 5-B.

The substantive

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The substantive staff is organized in three offices: Plans and Policy, Coordination, and Evaluation and Review. In addition, there is the Office of the Director and the Office of the Executive Officer and Executive Secretariat. Briefly the principal functions of these offices may be summarized as follows:

A. The Office of the Director is responsible, under the Presidential Directive and supervision of the Board, for developing the program of the Board, for organizing the business of the Board, and for establishing and supervising the staff of the Board. Its functions include maintenance of liaison with the heads of departments and agencies involved in the conduct of psychological operations and conducting liaison with the National Security Council and the Joint Chiefs of Staff.

B. The Office of Plans and Policy is responsible for assisting in determining what is the over-all framework of national policy which establishes U. S. psychological objectives and for developing in collaboration with affected departments and agencies strategic psychological plans for the consideration of the Board.

C. The Office of Coordination has as its principal responsibility the following-up on the development of psychological operational plans by the operating agencies and the implementation of approved strategic concepts and plans to insure their adequate and coordinated execution.

D. The Office of Evaluation and Review is responsible for conducting the continuing evaluation of the effectiveness of U. S. psychological operations in accordance with the terms of the President's directive of April 4 and for procuring the necessary intelligence support for the Director and for the other two offices of the staff.

E. The Office of the Executive Officer and the Executive Secretariat is responsible for assisting in organizing the business of the Board; providing assistance in the administration of the staff and for providing regular administrative support for the staff.

The financial requirements of the Board and its staff are met by contributions from the member agencies as authorized by the President's Directive and under the terms of an administrative agreement among the member agencies providing for the financial and administrative support of the Psychological Strategy Board. (Exhibit 5-A(2)).

Under the terms of the Agreement the Department of State continues to act as it has heretofore as the Executive Agent of the Board in its over-all administrative relationships with the General Accounting Office, the United States Treasury, the United States Civil Service Commission, etc., and provides other over-all administrative services.

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All of the staff, except as may otherwise be arranged, are carried on the Department of State payroll, subject to Department of State security clearances and otherwise considered as employees of that Department. The funds provided by the member agencies are deposited with the Department of State to be disbursed on the order of the Director, or his authorized representative, and the Department of State maintains the necessary accounts of record.

The Board has held fifteen formal meetings of record since its organization. Those meetings have been supplemented by informal weekly luncheon meetings of the Board members. These informal meetings provide the necessary continuing contact between the Board members and the staff through the Director's attendance. The informal meetings at weekly intervals greatly facilitate the conduct of the Board's business and provide continuing guidance to the staff.

In addition to the formal and informal meetings of the Board, there are many informal working group contacts among the staffs of the member departments and agencies and the Psychological Strategy Board staff itself. The major part of the Board's work is, in fact, carried out through working panels of Board member representatives working interdepartmentally under the direction of the Director. The panels also include, when appropriate, representatives of other departments and agencies concerned with psychological operations. These panel arrangements are utilized in connection with all three of the Board's major functions: planning, coordination, and evaluation.

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The total amount requested for fiscal year 1954 is [ ] which is an increase of [ ] amount authorized for the current fiscal year. [ ] This slight change is the net result of certain internal staff changes proposed for 1954.

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EXHIBIT 5A (4)

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IMMEDIATE RELEASE

JUNE 20, 1951

Following is the Directive to the President establishing the Psychological Strategy Board:

DIRECTIVE TO: The Secretary of State  
The Secretary of Defense  
The Director of Central Intelligence

It is the purpose of this directive to authorize and provide for the more effective planning, coordination and conduct, within the framework of approved national policies, of psychological operations.

There is hereby established a Psychological Strategy Board responsible, within the purposes and terms of this directive, for the formulation and promulgation, as guidance to the departments and agencies responsible for psychological operations, of over-all national psychological objectives, policies and programs, and for the coordination and evaluation of the national psychological effort.

The Board will report to the National Security Council on the Board's activities and on its evaluation of the national psychological operations, including implementation of approved objectives, policies, and programs by the departments and agencies concerned.

The Board shall be composed of:

- a. The Undersecretary of State, the Deputy Secretary of Defense, and the Director of Central Intelligence, or, in their absence, their appropriate designees;
- b. An appropriate representative of the head of each such other department or agency of the Government as may, from time to time, be determined by the Board.

The Board shall designate one of its members as Chairman.

A representative of the Joint Chiefs of Staff shall sit with the Board as its principal military adviser in order that the Board may ensure that its objectives, policies and programs shall be related to approved plans for military operations.

There is established under the Board a Director who shall be designated by the President and who shall receive compensation of \$16,000 per year.

The Director, within the limits of funds and personnel made available by the board for this purpose, shall organize and direct a staff to assist in carrying out his responsibilities. The Director shall determine the organization and qualifications of the staff, which may include individuals employed for this purpose, including part-time experts, and/or individuals detailed from the participating departments and agencies for assignment to full-time duty or on an ad hoc task force basis. Personnel detailed for assignment to duty under the terms of this directive shall be under the control of the Director, subject only to necessary personnel procedures within their respective departments and agencies.

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MEMORANDUM FOR THE DIRECTOR (Cont'd)

The participating departments and agencies shall accord to the Director and his staff such assistance and access to information as may be specifically requested by the Director in carrying out his assigned duties.

The heads of the departments and agencies concerned shall examine into present arrangements within their departments and agencies for the conduct, direction and coordination of psychological operations with a view toward readjusting or strengthening them if necessary to carry out the purposes of this directive.

In performing its functions, the board shall utilize to the maximum extent the facilities and resources of the participating departments and agencies.

/s/ HARRY S. TRUMAN

EXHIBIT 5A (2)

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FINANCIAL AND ADMINISTRATIVE  
SUPPORT FOR PSYCHOLOGICAL STRATEGY  
BOARD

Agreement No.  
W-7-53

Effective 1 July 1952

Agreement between the Department of State,  
the Department of Defense and the  
Central Intelligence Agency

This agreement is entered into pursuant to the President's directive of April 4, 1951 establishing the Psychological Strategy Board.

The purpose of this agreement is to provide the necessary funds for staff compensation and the other necessary expenses, and administrative support for the Psychological Strategy Board.

1. The Department of Defense and the Central Intelligence Agency each agree to furnish financial support for the Board and Director's staff. One-third of the cost of the program shall be borne by the Department of Defense, and two-thirds by the Central Intelligence Agency, unless a different scale of distribution shall be mutually agreed upon by the member agencies and approved by the Bureau of the Budget. Program costs will include, but not be restricted to, such costs as salaries of personnel including temporary experts and consultants; the procurement of necessary supplies, services, and equipment; travel expenses for the Director and members of his staff, for other personnel assigned to the work of the Board and for temporary experts and consultants while engaged on business for the staff in accordance with travel orders issued by the Department of State.

2. The Department of State undertakes to provide full administrative support for the Director in lieu of any direct financial support. Such administrative support will include, but not be restricted to, those services normally rendered by personnel of the Office of Budget and Finance; Office of Operating Facilities; Office of Security and Consular Affairs; Office of Personnel; Legal Advisor; and the various substantive areas of State. Personnel employed for duty with the Board will normally be appointed in the Department of State and paid from funds made available to PSB under this agreement, but may, at the request of the Director of the Psychological Strategy Board in consultation with the Agency concerned, be appointed in and paid by the Department of Defense or Central Intelligence Agency, and any such expenditures by Defense or CIA may be handled by reimbursement to Defense or CIA or be offset against the total costs agreed as chargeable to the respective agencies. The Department of State may secure equipment and material for the Director from Defense or CIA, the cost of which may be handled by reimbursement to Defense or CIA, or by offset consideration at the

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EXHIBIT 5A (2) Cont'd.

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time of final adjustment of costs.

3. Expenses incurred by the Department of State which are directly attributable to the Board, such as equipment, supplies and materials provided to PSB or consumed in production for PSB, contractual services, and communication shall be paid by PSB from funds made available under the provision of Section 1 of this agreement. As indicated in Section 2 of this agreement, no charge will be made for the general impact of PSB requirements upon the central services and other facilities of State except by agreement among State, Defense and CIA.

4. The members of the Board shall determine an annual budget submitted to it by the Director. After determination by the Board the budget shall be submitted to the Bureau of the Budget.

5. Funds will be advanced by Defense and CIA to State pursuant to Section 601 of the Economy Act, as amended, in such amounts as may be necessary for the operations of the Board under the provision of Section 1 of this agreement. Appropriate adjustment of costs will be made at the close of the current fiscal year, and final distribution of unobligated funds will be made on the basis of financial support furnished by Defense and CIA under this agreement.

6. This agreement is entered into pursuant to the authority contained in Section 214, Public Law 49, 79th Congress, 1st Session, approved May 3, 1945 (59 Stat. 134), and Section 601 of the Economy Act of June 30, 1932 as amended (31 USC 686), and shall remain in force until June 30, 1953.

For the Secretary of State:

/s/ W. K. Scott  
Acting Deputy Under Secretary

For the Director,  
Psychological Strategy Board

For the Director of Central Intelligence:

/s/ L. K. White  
Acting Deputy Director (Administration)

For the Secretary of Defense:

/s/ Ralph N. Stehl  
Director of Administration

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